MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2015/2016

BAC2654 – PUBLIC SECTOR ACCOUNTING

(All Section / Groups)

9 MARCH 2016
9.00 a.m – 12.00 p.m
(3 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 3 pages with 4 questions only.

2. Attempt **ALL** questions. All questions carry equal marks and distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

Instruction:

Read the following case and answer question (a), (b) and (c).

Auditor-General: Create monitoring unit to overcome weaknesses
Published: Wednesday November 25, 2015

PETALING JAYA: The 27 School Textbook Loan Scheme (TBLS) operation rooms were not managed properly, said the 2014 Auditor-General's Report. It said that the stocks of books were neither maintained, updated, reviewed nor signed by the principal or headmaster. Furthermore, the balance of textbooks differed from the recorded number in the stock book.

The report said that the records of the stock books in some district TBLS operating rooms were also neither maintained nor updated. For example, the balance of textbooks recorded in the stock books did not tally with the actual number of books. The Ministry of Education has established a TBLS operation room in every school and a district TBLS operation room in each region to manage the ordering, receiving, distribution and storage of textbooks.

The ministry has published 76 million textbooks costing RM501.77million for the period between 2012 and the last year. However, the report noted that the printing quality for four out of 62 textbooks inspected, were less than satisfactory. This was found during an audit carried out between August and November last year. But the audit also stated that the overall management of textbooks was satisfactory as the TBLS has benefited the target groups. Textbooks have been distributed to students regardless of their financial status before the first day of school.

To overcome the weaknesses highlighted in the report, it recommended that the Ministry of education establish a monitoring unit to ensure stock books are maintained and updated accordingly by all operation rooms.

Besides that, the report said that the ministry should ensure all schools or the district Education Office take into account the actual number of textbooks available in the respective operation room prior to making new orders to address any surplus of such textbooks.

This is for the purpose of coordination and reducing expenditure. It also proposed that the ministry inspect and ensure all samples of reprint textbooks are in good quality before approval of reprints is given to the contractor.

Source: http://www.thestar.com.my/News/Nation/2015/11/25/Improve-textbook-scheme-AG-Create-monitoring-unit-to-overcome-weaknesses/

Continued...

In relation to the above case:

a) Explain the two (2) stakeholders of the Textbook Loan Scheme (TBLS) and the impact of the case on them.

(8 marks)

b) Explain the concept of performance audit and provide two (2) examples from the case.

(7 marks)

c) Explain the concept of financial accountability, management accountability and the programme accountability. Provide one (1) example of each type of accountability from the case in your explanation.

(10 marks)

(Total: 25 marks)

QUESTION 2

a) In compliance with the Treasury Instruction No. 60 until 79, illustrate the flowchart and briefly explain accounting for cash receipt.

(15 marks)

b) Explain the three (3) reasons to carry out vote book reconciliation.

(6 marks)

c) Explain two (2) differences between Federal Government Financial Statements and company financial statements.

(4 marks)

(Total: 25 marks)

QUESTION 3

a) Local council is the lowest hierarchical tier in the government structure. It consists of city councils, municipal councils and district councils. Using example, identify the criteria for each category of local council.

(9 marks)

b) Financial Provisions of the Federal Constitution covers eight (8) main categories. Briefly explain each of the categories.

(16 marks)

(Total: 25 Marks)

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QUESTION 4

a) Key Performance Indicators (KPIs) is defined as a simple and an effective measurement system that helps organisation to explain and manage the services' progress for customers aligned with the vision and mission of the organisation (Development Administrative Circular Number 2, 2005). You are required to develop one (1) KPI and one (1) proposed activity for Ministry of Education, Ministry of Health and Ministry of Transport respectively.

(15 marks)

b) Prior to 2002, the budget was prepared and approved on an annual basis. However, with the effect of Treasury Circular No. 2 in 2001, the budget preparation will be carried out once every two years instead of annually. Discuss the rationale for thos change in the budget preparation directive.

(10 marks)

(Total: 25 Marks)

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